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CIA Official Nearly Compromised Bush

George Bush's brief tenure as CIA director has been both a blessing and a curse for the vice president. On the plus side, it has added a certain cachet to his foreign-policy credentials in the quest for high office. But Bush's year at the CIA in 1976-77 has also led to a presumption by many in the agency that he is "our man in the White House."

That attitude is the most charitable explanation for two potentially compromising episodes when Bush was introduced socially to undercover agents mixed up in a CIA-front business. It later went broke, costing investors millions of dollars.

In neither case was there a need for the CIA men to meet the vice president. The encounters were apparently arranged by CIA field officials for no better reason than to satisfy a craving among the undercover troops to rub elbows with a celebrity.

The two incidents occurred in Hawaii. My associates Dale Van Atta and Indy Badhwar uncovered the story while investigating claims made by Ronald Ray Rewald that the CIA was behind his Honolulu investment firm, whose collapse led to his indictment for fraud, tax evasion and perjury.

The accounts of Bush's brushes with the undercover men came from four separate sources. They lend credence to other evidence that the CIA considered Rewald's firm and its 50 subsidiaries and affiliated enterprises an extremely valuable cover for widespread CIA operations in the Pacific.

On July 2, 1981, the vice president was in Hawaii on his way back from the Philippines. In the

evening, at the invitation of a friend from Dallas, he boarded a sailboat for a sunset cruise along the coast off Honolulu.

Also invited on the cruise were one of Rewald's men (a Honolulu policeman) and Jack Kindschi, who had been Rewald's CIA superior and later went to work for him at the investment firm.

The evening was purely social, but allowed the CIA-related guests to bask in the camaraderie of the one-time agency director who had made good.

Rewald's brief encounter with Bush occurred at Hickam Air Force Base. The occasion was a social gathering, duly recorded by an Air Force photographer. Several military officials were present, along with CIA station chief Jack Rardin, Rewald and one of his employees who was a deep-cover CIA agent.

Presumably, Rardin was known to Bush as the CIA chief in Honolulu. Rewald was just as obviously unknown to the vice president. Bush shook hands with Rewald and thanked him for his help. That was it. Rewald drifted off into the crowd and didn't speak with Bush again. For his part, Bush has told a close associate he may have met the man but doesn't remember it.

The only significance to the incident lies in its very triviality. Apparently just as a morale-boosting sop to Rewald, the CIA station chief thoughtlessly put the vice president in a compromising situation.

The public introduction lent Bush's unwitting prestige to Rewald's investment company. As evidence of Rewald's high-level connections, it might have encouraged investors to sink money into his investment firm.